

IAS PARLIAMENT

A Shankar IAS Academy Initiative

YOJANA

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1. GST - THE GAME CHANGER

The genesis of the introduction of GST in the country was laid down in the historic speech of 28th February 2006, wherein the then finance minister laid down 1st April 2010 as the date for introduction of GST. Thereafter various discussions held and finally it got introduced by the Constitution (122nd Amendment) Bill in December 2014.

Need for GST :

Presently, the Central government levies tax on manufacturing, provisioning of services, interstate sale of goods etc., it is clearly visible that multiplicity of taxes which are being levied on the same supply chain.

There is cascading of taxes, as taxes levied by the Central government are not available as setoff against the taxes being levied by the state governments.

Creation of tariff and non tariff barriers such as Octroi, entry tax, Check posts etc created a hindrance to the hassle free movement of goods between states.

The large number of taxes creates high compliance costs for the tax payers in the form of number of payments, returns etc.,

Advantages of GST:

Will help to create a unified common national market for India, giving a boost to foreign investment and Make in India initiative.

Will mitigate cascading of taxes as Input Tax Credit will be available across goods and services at every stage of supply.

Harmonization of laws, procedures and rates of tax between centre and states and across states.

Improved environment for compliance as all returns are to be filed online, input credits to be verified online, encouraging more paper trail of transactions at each level of supply chain.

Common procedures for registration of taxpayers, refund of taxes, uniform format of tax return, common tax base, common classification of goods and services will lend greater certainty to the taxation system.

Greater usage of IT will reduce human interface between the tax payer and the tax administration, which will go long way in reducing corruption.

It will boost export and manufacturing activity, generate more employment and thus increases GDP with gainful employment leading to substantive economic growth.

Ultimately it will help in poverty eradication by generating more employment and more financial resources.

Reduction in compliance costs - No multiple record keeping for a variety of taxes - so lesser investment of resources and man power in maintaining records.

More effective neutralisation of taxes especially for exports thereby making our products more competitive in the international market which will give boost to the Indian economy.

Average tax burden on supply of goods or services is expected to come down which would lead to more consumption, which in turn means more production thereby helping in the growth of industries manufacturing in India.

Final price of goods is expected to be transparent due to seamless flow of input tax credit between the manufacturer, retailer and service supplier.

Relatively large segment of small retailers will be either exempted from tax or will suffer very low tax rates under a compounding scheme - purchases from such entities will cost less to the consumers.

GST being a destination based tax will favour the consuming states.

Improved compliance level of the tax payers will contribute greatly in improving the revenue collection in the states.

Improves the overall investment climate in the country which will naturally benefit the development of the states.

2. QUALITY EDUCATION FOR EMPOWERING INDIAN YOUTH

The second largest populous nation of the world, India had a staggering 600 million people i.e., more than 50 percent of its population below the age of 25, till the latest count, and is a matter of another couple of years the nation will be the youngest nation in the world.

The demographic dividend is never a burden on any nation but a window of opportunity. Such differentiated population called demographic dividend have boosted the economic growth in many East Asian countries like South Korea.

The key to youth empowerment is to make him educated and employable. The vision of "Transforming India" can only be fulfilled by the motto of Ministry of Human Resource and Development (MHRD) - "Education for All, Quality Education".

Challenges:

India being a secular and democratic country fragmented on various issues of

gender, topography, age etc., which hinders the equal access of available education resources to its citizens.

Lack of Quality and motivated teachers and mentors being non promising, less paid and least recognised profession in the country.

Faculty crunch - most of the nation has empty chairs of regular heads, seasoned faculty and experienced researchers with 1/3rd faculty position being unfilled.

Paucity of funds especially in state institutions - the biggest lacunae as more number of students are being enrolled in state institutions having higher number of seats than federal institutions too.

Least prioritised budgeting from nation's GDP (only 3.3%) make the biggest education system, hollow vessels sound more.

Out dated and rigid curriculum, non uniformity in curricula, inability of conventional teaching pedagogy to hold back tech savvy youth of today's minimisation of laboratory based education especially in basic sciences make education totally white and black.

Shelled approach - designed curricula make youth of today literate but not educated with holistic development.

Lack of participation of employ and employer - designing curriculum has been

centuries old practice done by either senior academicians or sometimes by bureaucrats who are not the takers of education system.

Government Initiatives:

Expansion of education for youth is undertaken by the government at every level by establishing new institutions like IITs, IIMs, AIIMS, Central universities etc.

GIAN aimed at tapping the pool of scientists and entrepreneurs internationally to encourage their engagement with institutions of higher education to augment existing academic resources.

IMPRINT India scheme is launched with an aim to direct research in the premier institutions into areas of social relevance.

Uchhtar Axvishkar Yojana was launched to promote industry specific need based research so as to keep up competitiveness of Indian industry in the global market.

NIRF for ranking higher education institutions annually based on an objective and verifiable criteria for promoting quality.

Establishment of **Higher education Financing Agency** for creating capital assets in order to give a big push for building up robust higher education institutions.

NAD for maintaining academic awards in digital depository enabling online access and retrieval, eliminate fraudulent practices such

as forging of certificates and mark sheets and facilitate validation.

Swayam Prabha - a project for telecasting high quality educational programmes through 32 DTH channels on 24 x 7 basis.

Swayam - an indigenous IT platform for hosting the massive online open courses for providing best quality education covering all subjects and courses to the students even in the remotest corner of the country.

RUSA - though education is state's responsibility but to promote the quality standards of state's education system, federal funding under RUSA is given to the states to promote performance based education. It works on the carrot and stick policy.

Choice based credit system - an excellent approach to redesign curriculum which is going to be student centric, giving them ample opportunity for inter disciplinary academics with multi directional movement within state, nation and world's education system.

3. DISTANCE AND ONLINE ENTREPRENEURSHIP EDUCATION IN INDIA

Distance education is a process to create and provide access to learning when the source of information and the learners are separated by time and distance.

Entrepreneurship education has received special attention from the central government and some of the reputed educational institutions as they have realised the role of young entrepreneurs in a globalised economy like ours.

Needs & Opportunities:

Formal education system cannot stand up to the expectations of the rising middle class aspirations. An innovative MOOC like SWAYAM is necessary to cater the needs of emerging population.

Transformation of semi skilled labour to skilled labour and shift from informal to organised sectors of dignified employment are possible only through cost effective entrepreneurship education.

Though governed by own norms, Distance learning accommodates the learners and provides them with flexibility to learn and grow amongst the community of learners.

There is a wide felt need amongst current generation of youngsters especially women to educate and train themselves for better employment opportunities.

Unfortunately large number of our graduates lack basic skills and are unemployable. Open and distance education in Entrepreneurship could groom these individuals into innovative and successful entrepreneurs.

Time and space availability between the students and teachers can be asynchronous. ODL can break these barriers.

Distance education platforms especially for courses like Entrepreneurship and Management provides additional skills to the existing working population.

An important highlight of Distance Education in Entrepreneurship is that it empowers the retiring population to invest their savings or engage in entrepreneurial ventures thereby help them secure their life after retirement.

With higher education in private hands joining a full time courses for some students is a costly affair. These things can be overlooked by Distance education opportunities.

Road Ahead:

The goal of education in countries like India is to make the people employable. Some minimum amount of employment generation or self Entrepreneurship should be promoted to make the Distance learning a successful one.

Striking a fine balance between the real and virtual education is essential. If this is not met then there will be a gap in the skill acquired and hence leads to the unemployment.

Gaining credibility amongst the potential employers and authenticity among the students are necessary since open and distant education has inherent challenges to face.

Institutes offering entrepreneurial training through ODL must ensure quality on par with the conventional courses through rich and reliable course content, fair assessment, effective communication and execution of course objectives and strong student support services.

Sustainability and Quality in entrepreneurial training through distance learning mode could be assured only through fostering constant reflection and feedback amongst all stakeholders like students, faculties and academic support staff involved in the course.

4. FLAG BEARERS OF INDIAN CULTURE

Since time immemorial Indian youths have played the role of flag bearers of Indian wisdom, civilisation and culture across the world. When the world was still engrossed with claiming the religious and racial superiority, a young Indian monk Swami Vivekananda lectured them on the significance of religious tolerance way back in 1893.

Mahatma Gandhi is believed to be the first "Pravasi Bharathiya" of India who endowed the world with something that could be cherished throughout the human civilisation.

India has a strong 25 million Diaspora spread throughout the world. Though Indian Diaspora has a specific geographic orientation, it has recognizable presence even in some of the smallest and the newest countries of the world.

Since India's relations with outside world is largely shaped by British interests in colonial era, Indian Diaspora also have a major presence in these colonies and countries. Young energetic students and revolutionaries like Savarkar, Madam Bhikaji Cama, Madanlal Dhingra are some of the prominent names of Indian Diaspora who played important role in India's freedom movement.

However, the most remarkable phase of Indian Emigration started after decolonisation. Opening of quality institutes like IITs in India gave an impetus to young talented technical graduates to grab opportunities in Western countries.

Rising production and labour cost in developed countries persuaded them to search for cheap alternatives and both Indian labour and land came in handy for their needs.

Unparalleled talent and fortitude of Indian Engineers have won them accolades in the United States. This is evident from the fact that many Indians occupy top positions in many companies including GOOGLE and Microsoft.

The mass emigration of unskilled labours started to middle east countries after the oil boom in the international market. Kerala has the highest number of residents serving in the gulf countries. 36.6 percent of Net State Domestic Product of Kerala comes from these emigrants only.

They not only won accolades for themselves by being the sharpest brains of their fields but also raised the popular perception about young Indian talents. They helped to build an alternative and strong image of India different from the earlier image of being the land of snake charmers.

Young Indian Diaspora spread across the world is the biggest tool for the soft power. India not only benefits from the high remittances sent by them but also from the research and development work undertaken by the Indian Diaspora ahead.

Initiatives of Government:

Pravasi Bharathiya Divas: An annual meeting held every year to celebrate the achievements of Indian Diaspora and felicitate them for their efforts for establishing link between India and other countries for residence.

The **merger of PIO and OCI cards** has been done with the intention to facilitate hassle free entry of persons of Indian origin into India and ensure them long term residency without having the necessity to visit police station now and then.

Recognising the importance of young Indian Diaspora and the need to connect them to the growth story of India **Youth Pravasi Bharathiya Divas** was launched to promote the contributions of younger generations.

The Indian Diaspora living in over 150 countries can now visit and stay in **Pravasi Bharathiya Kendra**, a new home in New Delhi.

Visiting Adjunct Joint Research Facility (VAJRA) is envisioned to contribute to the nation's growth in science and technology.

Know India Program is to help familiarise Indian Diaspora youth in the age group 18 - 26 years with Indian land and their ancestors and share their views, expectations and experiences and to bond closely with contemporary India.

5. MAKING A NATION OF JOB CREATORS

India needs 10 million jobs a year and global data shows that it is start-ups, not large enterprises that create the net new jobs in any country.

Start-ups are essentially of two kinds. One that starts something ground up, something that no one has thought about and is often ground breaking. Second ones are who does not want to reinvent the wheel. They are akin to adding old wine in a new bottle to create something new and innovative.

Funding options for Start-ups:

Pradhan Mantri micro Units Development and Refinance Limited (MUDRA)- started with an initial corpus of 20000 crore rupees to extend benefits to around 10 lakh MSMEs.

Bootstrapping or self funding is an effective way of start-up financing as first time entrepreneurs have a trouble in getting funds without showing any business progress.

Crowd Funding is like taking a loan, pre order, contribution or investments from more than one person at the same time.

Angel Investors are individuals with surplus cash and keen interest to invest in upcoming start-ups.

Venture capitalists are professionally manages funds who invest in companies that have a huge potential.

Microfinance Institutions and the **NBFCs** also provide funds to these young start-ups.

Government initiatives:

The start-ups will adopt **self certification** to reduce the regulatory liabilities including payment of gratuity, water and air pollution acts.

An **All India Hub** will be created as a single point contact for start-up foundations in India, which will help the entrepreneurs to exchange knowledge and financial aid.

A **fast track system** for patent examination at lower costs is being conceptualised by central government.

A **corpus fund** of about 10,000 crore rupees have be visualised to support the upcoming start-ups in India.

A **National Credit Guarantee Trust** Company is being conceptualised with a budget of 500 crore per year to support the flow of funds to the start-ups.

Capital gains tax is exempted for the primary level investment in these start-ups.

Start-ups would not pay **income tax** for the three years. This policy would revolutionise the pace with which the start-ups would grow in the future.

Innovation related study plans for students in over 5 lakh schools to promote the **budding entrepreneurs**.

The **Atal Innovation mission** will be launched to boost innovation and encourage talented youths.

A **public Private Partnership model** is being considered for new incubators and innovation centres as national institutes.

The government plan to setup **new research parks** with an investment of 100 crores each.

A panel of facilitators will provide **legal support** and assistance in submitting patent applications and other official documents.

A **rebate** of about 80 percent of the total value will be provided to the entrepreneurs on filing patent applications.

Norms of Public procurement and rules of trading have been simplified for the start-ups.

If a start-up fails, the government will also assist the entrepreneurs to find suitable solutions for their problems. Thus facilitating an **easy way out**.